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Central Intelligence Agency



Washington, D.C. 20505

Directorate of Intelligence

30 July 1984

Communist and Radical Leftist Influence in Bolivia [redacted]

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Summary

Since the inauguration in October 1982 of civilian President Hernan Siles Suazo, there has been an unprecedented rise in foreign and domestic Communist influence in Bolivia. La Paz has embarked upon a leftist foreign policy that encompasses closer ties with Cuba, the USSR, and Nicaragua; the pro-Moscow Bolivian Communist Party has been given the important labor and mining portfolios in the cabinet; and a coterie of radical advisers close to Siles have begun building their own paramilitary forces. We do not believe these forces are yet capable of preventing a rightist military coup, but they probably already have the capability to carry out disruptive terrorist activities in the event of such a rightist takeover. We judge that as long as Siles remains in office, he will favor keeping the Communists in his cabinet, allowing his radical advisers a continued free hand, and permitting leftist influence in general to increase. [redacted]

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We believe that Bolivian President Siles supports democratic processes, but is tied by personal loyalties and leftist sympathies to several advisers and foreign powers that do not. This casts a new and disquieting light on the potential for unrest in a nation that is renowned for its longstanding--but normally innocuous--political instability. [redacted]

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This memorandum was requested by the Senior Director for Latin American Affairs, NSC. It was prepared by [redacted] South America Division, Office of African and Latin American Analysis and was coordinated with the Directorate of Operations. Information as of 25 July 1984 was used in preparation of this paper. Questions and comments may be directed to Chief, South America Division, ALA, [redacted]

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Under ordinary circumstances, the anti-Communist Bolivian armed forces probably would have ousted Siles by now. He has survived 21 months of his four year term because:

- o The armed forces' poor performance in running the government before 1982 left them discredited and dispirited, a condition from which they still have not fully recovered.
- o Siles has kept potential military coup plotters off balance by placing loyal officers in key unit commands while assigning to overseas posts charismatic dissidents capable of uniting disparate officer factions.
- o The United States has vigorously supported civilian rule in Bolivia, a message the military has taken to heart.

Potential military coup plotters thus have been biding their time, expecting--so far in vain--that deteriorating economic conditions and radical leftist machinations would discredit Siles with the populace and with Washington. Both declining living standards and leftist maneuvering have caused strikes and labor protests over the government's economic adjustment measures since November. Siles so far has avoided serious political backlash by watering down austerity measures with concessions to labor, suspending debt payments to foreign banks, and holding the IMF at arm's length. These policies have impeded economic stabilization, but they also account to some extent for Siles's political survival, and thus we doubt he will abandon them soon. As he has muddled through and kept the military on the sidelines, some Communist powers have moved cautiously to increase their presence and influence, and domestic leftists have begun to build up their ranks.

Soviet Presence and Activities

Prior to Siles's inauguration, the Soviet role in Bolivia was limited to longstanding but modest participation in the mining industry and close ties to the pro-Moscow Bolivian Communist Party (PCB). In 1973 the USSR began construction of a tin smelting plant at La Palca (completed in 1981) and began building a similar installation in 1979 at Machacamarca. Moscow also provided technical aid for the construction of a lead-silver

smelter as well as two satellite tracking stations that the Soviets now use. [REDACTED]

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The USSR has capitalized on Siles's election to expand its connections in the mining industry [REDACTED]

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[REDACTED] there are 103 Soviet officials in Bolivia: 61 members of the Soviet Embassy in La Paz including two military attaches (roughly doubling the diplomatic presence from the pre-Siles period); 14 officials at the trade mission, also in La Paz; six scientists and technicians at the satellite tracking station in Tarija; five technicians at the La Palca tin plant; three technicians (probably mining engineers) in the mining sector of Oruro; and 14 other personnel divided among the satellite tracking station at Patacamaya and tin processing plants at Machacamarca and Karachipampa. [REDACTED]

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[REDACTED] The US Embassy has expressed concern over the growth of the Soviet presence in Bolivia, especially in contrast to its own 65-member mission. We have no evidence that any Soviet citizens hold official positions either in the government or industry. [REDACTED]

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Activities of Other Communist Countries

Since the establishment of diplomatic relations between Bolivia and Cuba in January 1983, Siles and Castro have agreed to maintain ties at the charge level. [REDACTED]

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[REDACTED] The Cuban mission in La Paz has approximately 19 members. Cuban officials have unobtrusively promoted Havana's interests through contacts with important Bolivian leftists. They also have hosted several Bolivian congressional delegations in Havana. [REDACTED]

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[REDACTED] Havana's relations with the Bolivian military, on the

other hand, are poor--dating to the killing of Che Guevara in Bolivia in 1967--and there is unlikely to be any improvement in the near future. [REDACTED]

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On a covert level, Havana has provided training in Cuba for some members of Siles's National Revolutionary Movement of the Left party-- [REDACTED]

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[REDACTED] allegedly to enable them to defend the administration against political and military opponents. [REDACTED]

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[REDACTED] The training program, [REDACTED] was made public in June 1983, and one of the President's chief advisers admitted her role in the operation to the US ambassador. [REDACTED]

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Relations with Nicaragua, reestablished in October 1982, have been warm but low-key. According to the US Embassy, Siles's favorable view of the Sandinistas is based on their support for him during his most recent period in exile (1980 to 1982). The Nicaraguan diplomatic mission in La Paz consists of only four members, and we are not aware of any Sandinista technical assistance programs or technical advisers in Bolivia. [REDACTED]

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The North Koreans have consistently sought full diplomatic ties with the Siles government--and have made repeated contact with several high-level government officials--but the President apparently fears US and South Korean displeasure and the possible cancellation of economic backing. In addition, the US Embassy has reported that the Bolivians raised the possibility of recognizing North Korea to press Seoul successfully to increase assistance. [REDACTED]

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Bolivian Communists

The Bolivian Communist Party, established in 1950, has long had strong ideological and financial ties to Moscow. As one of three parties in the ruling coalition--and traditionally influential in the labor sector--the PCB received the mining and labor posts in the Siles cabinet. In addition, PCB members won 4 of 27 Senate seats and 9 of 130 seats in the Chamber of Deputies in the 1980 elections. [REDACTED]

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President Siles maintains--with some justification, we believe--that the Communist presence in his government has enabled him to counter opposition forces in the labor movement that are attempting to destabilize his administration over his economic austerity policies. Thus, he is unlikely, in our view, to remove the Communist ministers. Serving in the cabinet and being associated with Siles's modest efforts at economic austerity, on the other hand, has placed the Communists in a politically awkward position. The result has been serious dissension in the party over continued participation in the government, but we doubt the PCB will leave the cabinet. [REDACTED]

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Activities of Other Leftist Radicals

We judge that the most dangerous leftist threat to Bolivia comes not from organized Communism but from the activities of several radical advisers close to President Siles. The most notorious of these are presidential adviser Felix Rospigliosi, Congresswoman Tamara Sanchez Pena, Sub-secretary of Interior Gustavo Sanchez Salazar, and other far left members of the President's political party. Together they have virtually unlimited access to Siles and are a dominant influence on his policies. [REDACTED]

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Early in Siles administration, according to the US Embassy, these advisers helped persuade him to pursue a leftist foreign policy that included restoring diplomatic relations with Cuba and Nicaragua, joining the Nonaligned Movement, and presenting an anti-US posture in international forums. It was less apparent to us at the time that these figures had begun organizing leftist paramilitary groups as well. Our information on the status of these groups--size, activities, locations--is still very

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spotty.

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Working from his own--and sometimes separate--agenda is Sub-secretary of the Interior Gustavo Sanchez Salazar, [REDACTED]

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[REDACTED] According to the US Embassy, Sanchez previously worked for the government of Cuba in Havana and Panama, and he apparently has some part in organizing the leftist paramilitary forces (although he and Rospigliosi are not close).

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Vice President Paz Zamora--though he is leftist and his party is a member of the ruling coalition--is a rival of Siles for the presidency and a foe of Rospigliosi. His party has been attempting to establish its own paramilitary capability [REDACTED]

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Based on our limited information regarding the various paramilitary forces--those associated with Rospigliosi and Sanchez on the one hand and Paz Zamora's party on the other--we do not believe that, even if they combined forces, they could now seriously challenge the armed forces for control of the government, although we suspect they are attempting to build that capability. In our view, because the most important of these forces--those under Rospigliosi and Sanchez--are being organized primarily to defend Siles from his political opponents, it is unlikely that they would move against the President unless he removed these advisers from their positions of influence or radically altered his foreign policy. In the event of a conservative takeover, however, we judge these leftist forces, either individually or collectively, would stage bombings, selected assassinations, and other terrorist activity. At the same time, we expect they would seek outside assistance to expand into a viable insurgent threat. [REDACTED]

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SUBJECT: Communist and Radical Leftist Influence in Bolivia

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